

Developing Small Business For Ontario

CADON
ODC
- 83D27

©
The
Ontario
Development
Corporations
December, 1983





Table of Contents

	Page
Our Mission: Developing Small Business for Ontario	2
ODC: Developing Southwest/Central Ontario	4
NODC: Developing Northern Ontario	6
EODC: Developing Eastern Ontario	8
Developing Industry	10
Developing Trade	12
Developing Tourism	14
The Development Corporations Programs	16
The Development Corporations Funding	20

Ontario Development Corporation,
1200 Bay Street, Queen's Park,
Toronto, Ontario/Canada

M7A 2E7

Frank S. Miller, Minister of
Industry and Trade

James H. Joyce, Chairman,
Ontario Development Corporation

Douglas J. Johnson, Chairman,
Northern Ontario Development
Corporation

Alex Siversky, Chairman, Eastern
Ontario Development Corporation

Andrew D. Croll, Executive
Director and Chief Executive
Officer

Editorial copy from this publi-
cation may be used without
permission.

This publication was designed and
produced in Ontario and printed
on Canadian paper.

Developing Small Business for Ontario

Ontario's three Development Corporations help create new businesses, new products, new exports and new jobs. Since 1963, we have helped finance over 6,000 Ontario businesses.

We encourage the entrepreneurial spirit in Ontario. We're willing to share the risk so that entrepreneurs can turn their good ideas into practical projects and can expand businesses with high growth potential.

Specifically, the Development Corporations provide the additional financial support needed to get good ideas moving. We can offer: lines of credit for export sales, term loans, loan guarantees, and assistance in attracting private sector lenders.

We'll look at any project that promises to develop our province. In practice, most of the projects we help finance involve:

- Export sales
- Plant and equipment expansions
- Product improvements, particularly high technology
- The development of tourist accommodation

The terms and conditions of our assistance are negotiated in each case to suit the circumstances and the development potential of the individual project.

The Honourable Frank S. Miller, Minister of Industry and Trade, discusses the Development Corporations' plans for the future with the Chief Executive Officer, Andrew Croll.



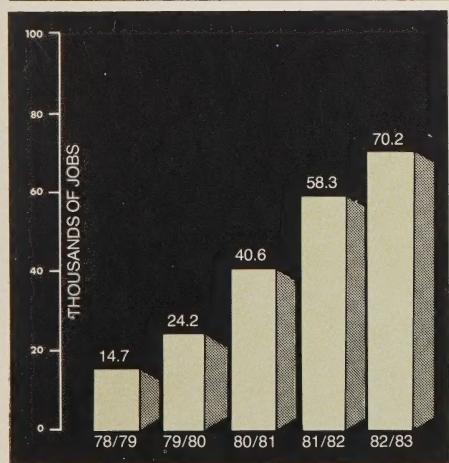
"For 20 years ODC has been helping small business and service is still our number one priority. We do a lot more than make loans. We help make things happen."

Hon. Frank S. Miller
Minister of Industry and Trade



Cumulative Job Creation

Throughout Ontario, the three Development Corporations have helped small businesses create more than 70,000 new jobs over the past five years.



ODC: Developing Southwest/Central Ontario



Selected Regional Characteristics

	Number	Percent of Total Ontario
Population	6,402,000	74%
Largest City:		
Metro Toronto	2,140,000	25
Communities	353	
Average Size	18,100	
Manufacturers	12,022	86
Tourist Operators*	1,343	30

ODC Financial Assistance, 1982/83

	Percent of Total Ontario	
Industry		
No. of Loans	159	51%
Total Amount (\$ooo's)	\$32,609	67
Trade		
No. of Loans	111	92
Total Amount (\$ooo's)	28,870	86
Tourism		
No. of Loans	34	42
Total Amount (\$ooo's)	6,249	54
Total		
No. of Loans	304	59
Total Amount (\$ooo's)	\$67,728	72

ODC Development Impact, 1982/83

Additional Employment		
Year 1	3,521	
Year 5	8,602	
Total Investment Generated (\$ooo's)	\$160,116	

*Accommodation only.



Jeamar Winches Ltd.

Ben Aston, President of Jeamar Winches Ltd. of Thornhill, shows James Joyce, Chairman of the Board of Directors of the Ontario Development Corporation, the blueprints for a power-operated winch.

This small company manufactures both hand and power-operated winches and sells them to some of the largest manufacturers in the U.S. and Great Britain.

"We recently embarked on a concentrated effort to significantly expand our export markets," said Ben Aston. "We ran into difficulty when we tried to increase our line of credit, so I contacted Wallace Goddard at ODC's Willowdale office. Wallace arranged an Export Support loan that will help us increase our export sales by more than 100% over the next year or two."



Bruce Maycock, a loan applications consultant in our Kitchener office, works on a computer-assisted analysis of a high technology project with John Richardson, Vice-President of Ontario's CAD/CAM Centre in Cambridge. Our consultants can call on a wide range of expertise, both within the Ontario government and with outside contacts, for additional advice on specialized projects.

NODC: Developing Northern Ontario

Selected Regional Characteristics

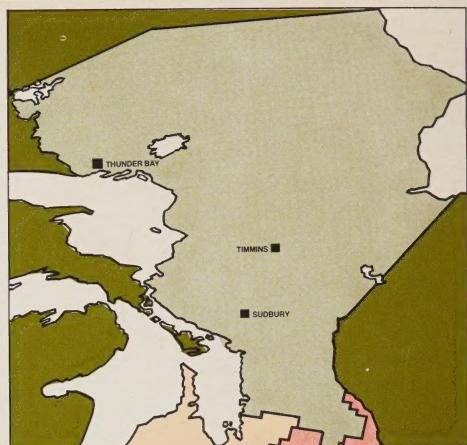
	Number	Percent of Total Ontario
Population	801,000	9%
Largest City: Sudbury	158,000	2
Communities	186	
Average Size	3,900	
Manufacturers	623	4
Tourist Operators*	1,929	44

NODC Financial Assistance, 1982/83

	Percent of Total Ontario	
Industry		
No. of Loans	69	22%
Total Amount (\$000's)	\$7,875	16
Trade		
No. of Loans	3	2
Total Amount (\$000's)	1,390	4
Tourism**		
No. of Loans	26	32
Total Amount (\$000's)	2,237	19
Total		
No. of Loans	98	19
Total Amount (\$000's)	\$11,502	12

NODC Development Impact, 1982/83

Additional Employment	
Year 1	529
Year 5	938
Total Investment Generated (\$000's)	\$28,896



*Accommodation only.

**Does not include NORDA Tourism Loans administered by Tourism and Recreation

Nestor Falls Hotel

Ronald Valliant and his family have owned the Nestor Falls Hotel since 1964. It's located on Highway 71, the main route between Kenora and the United States border.

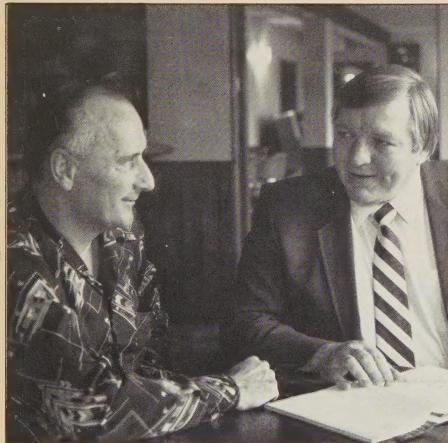
As Ron explained recently to Doug Johnson, Chairman of the NODC Board of Directors, "a few years ago we realised we were not attracting enough

of the highway traffic, so we decided to embark on an expansion and modernization program." With the help of a Northern Ontario Development Corporation tourist loan, he built a 10-unit motel on the property, which helped him capture some of that highway traffic.

Two years later, another NODC loan provided the funds to

remodel the exterior of the original hotel building, add an outside dining deck, and refurbish the lounge and dining areas.

"The Lake of the Woods area is fast becoming one of the most popular tourist areas in the Province," Ron said. "Thanks to NODC, we have been able to get our fair share of the tourist dollar, and provide first-class facilities for the travelling public."



Al Beckley, the director in charge of loan applications for Northern and Eastern Ontario, looks over an application for a tourism loan. Because of our considerable experience in providing financial assistance to tourist operators, we can offer informed advice about many aspects of this unique industry.

EODC: Developing Eastern Ontario



Selected Regional Characteristics

	Number	Percent of Total Ontario
Population	1,422,000	17%
Largest City: Ottawa	563,000	7
Communities	259	
Average Size	5,500	
Manufacturers	1,405	10
Tourist Operators*	1,147	26

EODC Financial Assistance, 1982/83

	Percent of Total Ontario
Industry	
No. of Loans	82
Total Amount (\$000's)	\$8,962
Trade	
No. of Loans	7
Total Amount (\$000's)	3,200
Tourism**	
No. of Loans	21
Total Amount (\$000's)	2,999
Total	
No. of Loans	110
Total Amount (\$000's)	\$15,161

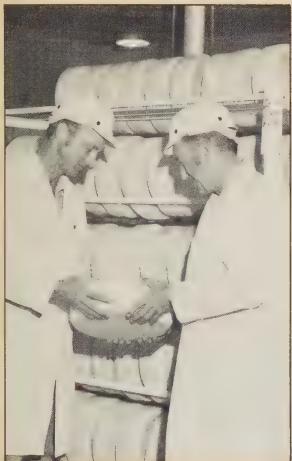
EODC Development Impact, 1982/83

Additional Employment	
Year 1	835
Year 5	2,385
Total Investment Generated (\$000's)	\$35,667

*Accommodation only.

**Does not include EOSA Tourism Loans administered by Tourism and Recreation

Harrowsmith Cheese Factory



Few Ontario companies can boast a history of more than 100 years, but the Harrowsmith Cheese Factory Limited has been situated in the community of Harrowsmith, in Frontenac County, since the late 1800's.

The owner, Harold Kingston, realized in 1980 that the profitability of Harrowsmith could be maintained only by expanding into specialty cheeses.

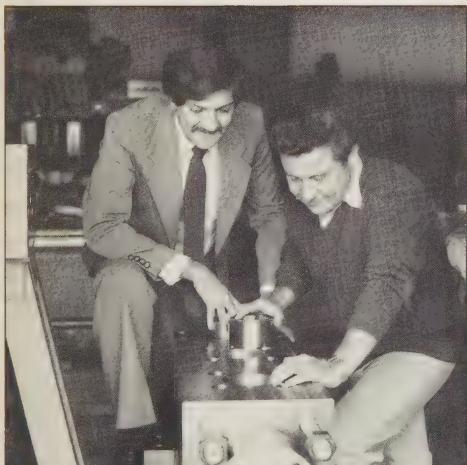
With the assistance of Bill McLean and the Kingston office of the Eastern Ontario Development Corporation, Harold was able to build a 7,500 sq. ft. building addition and buy new equipment for the production of parmesan, romano and brine type cheeses.

The EODC loan was of special importance to Harold Kingston.

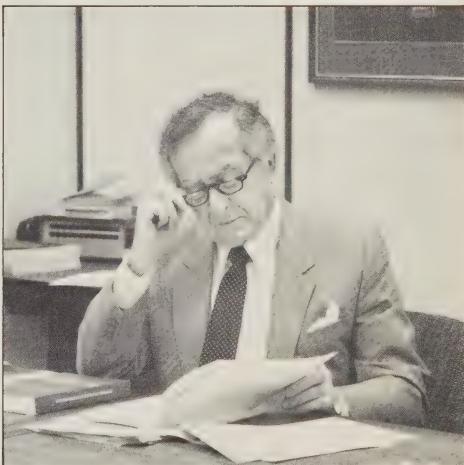
"Cheese products require storing and aging for a year or more, which in turn puts a severe strain on our cash flow situation until the product is marketed," says Kingston. "EODC's ability to match payments to our cash flow needs was a tremendous help."

After the expansion in 1980, the company found there was a greater market than anticipated for the new products. Consequently, it was necessary to build a new curing, drying, and dry storage facility to accommodate the increasing product demand. Bill McLean was again called in and quickly arranged additional financing.

As a result, Harrowsmith will add fifteen new jobs over the next five years.



Diamond Dedhar, a consultant in our Kingston office, visits Werner Jansen of Wejay Machine Products to discuss a new industrial project. Although our focus is usually on financing, we evaluate all aspects of a project, including production and marketing, to help maximize a project's chances of success.

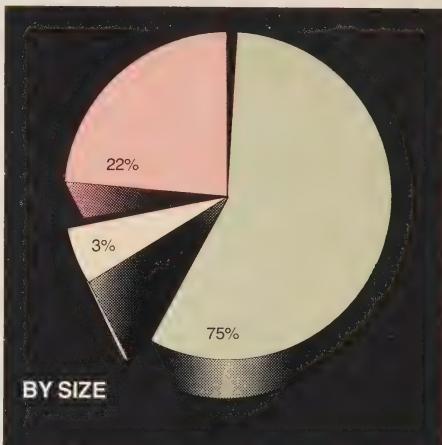


Alex Siversky, Chairman of the EODC Board, raises a question about a submission the Board is considering. The Board of Directors of the Development Corporation meet monthly to approve loan applications, and the objective assessments provided by these community representatives help improve the quality of the service we offer.

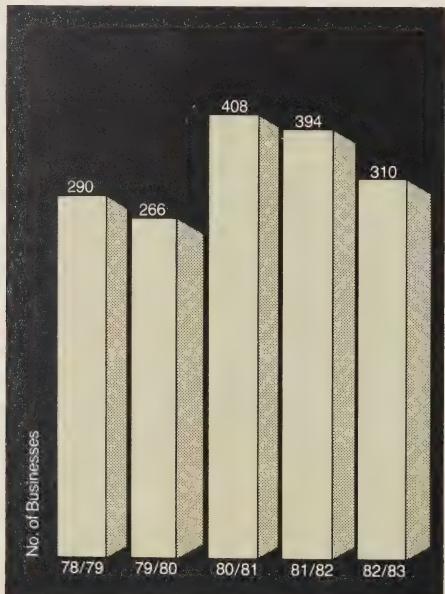
Developing Industry

Developing Ontario's manufacturing sector continues to be a major goal of the Development Corporations. The 12,000 small manufacturers in the Province that make up the Corporations' largest client group look to us for long-term financing of start-ups, plant expansions, new technology and productivity improvements. During the Corporations' 20 year history over 5,000 manufacturers have received financial assistance from us, and about 2,000 of them are current clients. Each year the Corporations approve between 250 and 400 new loans and guarantees for this client group.

Industrial Businesses Assisted 1982/83

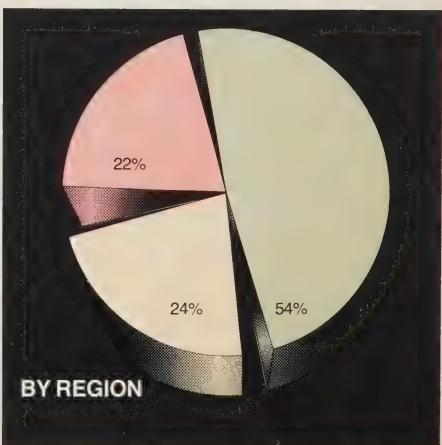


Industrial Businesses Assisted



As shown above, small business and regional development are what our industrial assistance programs are all about.

- Up to 20 employees
- 21 to 100 employees
- Over 100 employees



- Southwest/Central Ontario
- Northern Ontario
- Eastern Ontario

Neil O'Connell from Loan Administration and Susan Snelgrove from Legal Services team up to resolve a security question for one of our clients.



Ross Waddell, Director of Industrial Parks for the Development Corporations, meets with Northam Industrial Park tenant Mac Lees and site manager Pres Lavier.

Mac Lees is both the manager of Borden Chemical Company and the Mayor of Cobourg. "The regional development stimulated by our industrial park has been very important to the whole community," he says.

The Ontario Development Corporation owns and operates two industrial parks — Northam Industrial Park, located in the Town of Cobourg, and Huron Industrial Park, near the Town of Exeter. Together, the two parks provide facilities for 2,000 people employed by 22 private sector industrial tenants.



Burgess Power Train and Manufacturing Inc.

Ken Burgess, a good representative of Sudbury's entrepreneurial spirit, realised that there was an untapped market in Northern Ontario for the manufacture and remanufacture of heavy equipment drive trains and components. In March of 1980, he founded Burgess Power Train and Manufacturing Inc. and, by the following spring, he had to expand his operation in order to meet the ever-increasing customer demands.

One of our people in Sudbury, Arne Sorensen, helped Ken expand with a loan from the Northern Ontario Development Corporation. It was used to buy and renovate a 7,200 square foot building in the Valley East Industrial Park.

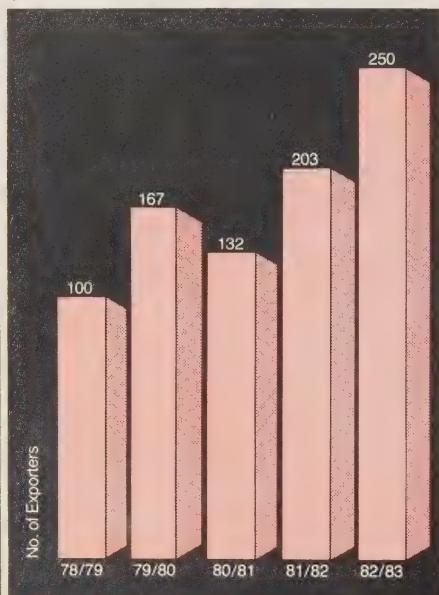
Ken now has 45 people working with him at Burgess. "Thanks to NODC's support," says Ken, "we were able to get the new space and equipment we needed to service all our customers."

Developing Trade

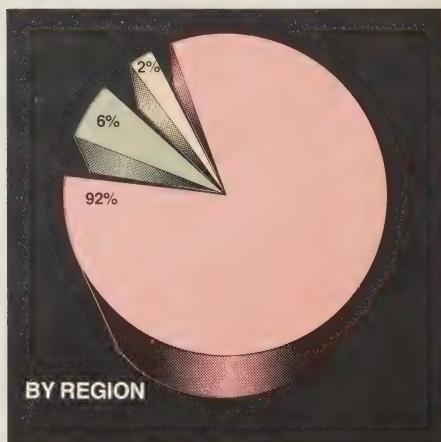
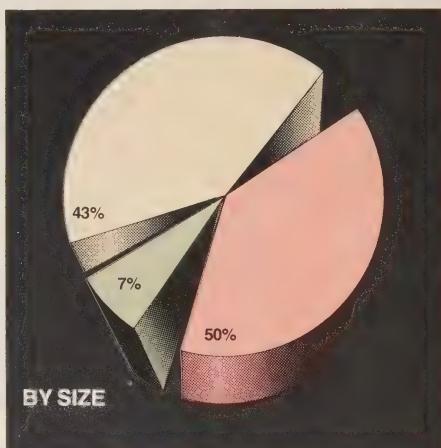
Exporters Assisted, 1982/83

Stimulating export growth is a central feature of Ontario's economic development activity. The Development Corporations contribute to the realization of Ontario's export potential by providing companies with revolving lines of credit to finance their export sales. The Export Support Loan Program, which is directed toward small businesses and new exporters, has a long-term goal of increasing substantially the number of Ontario exporters.

Exporters Assisted (Total active loans)



Most of the companies in the Export Support Loan Program to date are located in the industrial centre of the Province, close to the U.S. markets where most Ontario companies direct their initial export efforts.



- [Red square] Southwest/Central Ontario
- [Yellow square] Northern Ontario
- [Green square] Eastern Ontario

National Hardware Specialties Ltd.

William Gispen, President of National Hardware Specialties Ltd., shows some recent plant improvements to John Harris, a consultant in our London office. National Hardware has bounced back from a serious financial loss in 1981 to significant export sales growth and new-found prosperity, with the help of the Ontario Development Corporation.

"ODC's financial support was a vital factor in enabling the employees to purchase the company," says Bill Gispen. "We've shown a profit in our first year and, with the help of the ODC Export Support loan, about half of our present production is being exported to the U.S."



Alice Brooks and John Quigley, in our Export Support Loan Section, unravel the complexities of an export sale to China. Export financing is a highly specialized function of the Development Corporation and requires people that can reconcile the business requirements of Ontario's exporters with the bureaucratic demands of foreign governments.

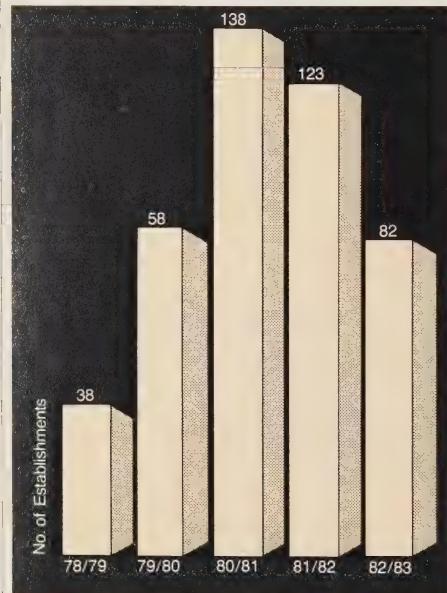


Eunice Altomare keeps track of our Export Support Loan clients and their foreign customers on a daily basis, making sure that cheques are processed quickly and repayments credited promptly.

Developing Tourism

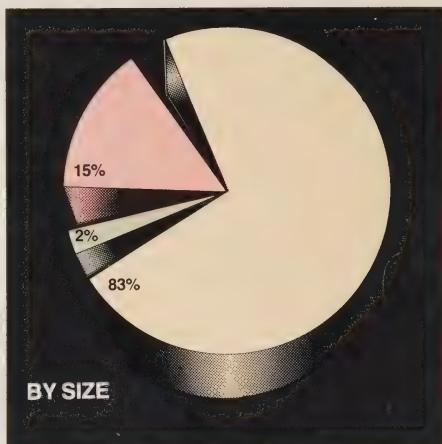
Improving and expanding Ontario's tourist industry is another key objective. Many small tourist operators, especially those in remote areas, need loans or loan guarantees from the Development Corporation to bring their plans to completion.

Tourism Establishments Assisted

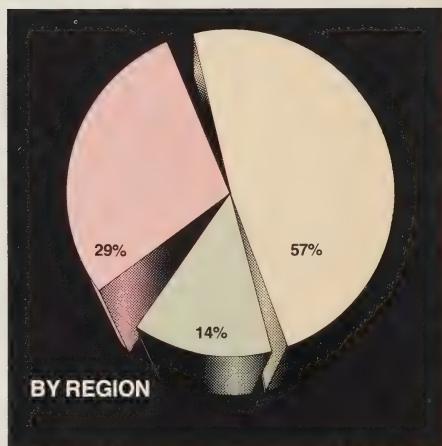


Regional development — capitalizing on the natural attractions of Ontario's North and East and the less developed parts of southwestern Ontario — is a primary goal of the Development Corporation's tourism programs.

Tourism Establishments Assisted, 1982/83



- up to 20 employees
- 21 to 100 employees
- over 100 employees



- Southwest/Central Ontario
- Northern Ontario
- Eastern Ontario



Southview Cottages

"It's often difficult for tourist operators to obtain financing from conventional sources. That's why we so greatly appreciate the wide variety of programs offered by the Eastern Ontario Development Corporation."

Those were the feelings expressed by Charles and Mary Tress of Southview Cottages on Rice Lake, near Bailieboro, while giving a tour of their facilities to Jim Boyd, an EODC consultant, and David Gifford, from the EODC Board of Directors. The Tresses first borrowed from EODC in 1974 so they could build eight cottages, a water and sewage system, fish cleaning facilities and a laundromat.

In September, 1982, Charles and Mary came back to talk to Jim Boyd at EODC. This time, the couple's plans included the addition of more guest accommodation and an enlargement of service facilities.

"Most of our clientele is drawn from the United States," says Mary Tress. "We have a very high rate of repeat business and, in order to maintain our appeal, we must constantly ensure that our facilities and services are kept in top condition."



Ray Greenwood talks to one of our clients about the company's recent financial statements. The development process continues well beyond the disbursement of funds, and our Loan Administration people continue to work with our clients throughout the term of their loans.



Thiru Thirumalai, in our Insurance Section, makes sure that a new hotel that ODC is helping to finance is adequately covered. This is an important part of the work that needs to be done before the borrower's cheque can be sent out.

The Development Corporations Programs

The Corporations' programs support the development of small businesses in industry, trade and tourism. Special emphasis is given to promoting:

- entrepreneurship
- job creation
- regional diversification
- expansion of both international and domestic trade
- the development and use of new technology
- productivity and competitiveness of Ontario's industrial base
- development of the Province's tourism industry

The development Corporations are primarily involved in providing risk capital to small businesses through loans ranging from \$5,000 to a maximum of \$500,000.

Direct Term Loans

Term loans are provided as part of a total financial package, when private sector funding under normal terms and conditions is not available.

Guarantees

In special circumstances, the Corporations can also guarantee loans from conventional sources if adequate private sector funding would not otherwise be available.

Export Support Loans

Loans up to \$1,000,000 are available to Ontario-based exporters to help finance foreign accounts receivable.

This program is funded jointly by the Development Corporations and the Board of Industrial Leadership and Development (BILD).

Incentives

Special incentives may be applied to both term loans and guarantees in cases where there is a demonstrated need on the part of the applicant and the proposal carries significant benefits to the Province.

Interest Rates

The Corporations' basic interest rate is set monthly at the Province's medium-term borrowing rate. Rates two percent lower than the Corporations' basic rate apply to Tourist Loans, Export Support Loans and Industrial Parks Loans.

Powell Corporation

"I've got great respect for the Northern Ontario Development Corporation," says Bruce D. Powell, Director and General Manager of Powell Corporation of Parry Sound, shown here with his chief engineer Richard Sharpe.

His company converts conventional aircraft to water bombers and then leases them to governments and other forest fire protection services in North America, South America and Europe.

With the help of NODC, Bruce was able to finance a major project to build a new hangar, shops and offices.

"We sell to a highly selective, demanding market," says Powell. "This tailor-made loan was the perfect form of financing for us."

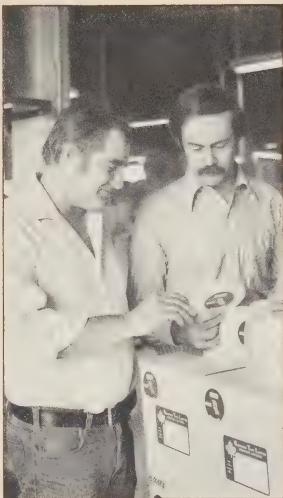


Mila Bobadilla, head of the Disbursement Section, signs a cheque for one of our borrowers. In the end, financing development is what the Development Corporations are all about.



Walter Prendergast and Bill Fairweather pool their financial and engineering talents to analyze a particularly complex problem for one of our clients. The development process continues well beyond the disbursement of funds, and our Loan Administration people continue to work with our clients throughout the terms of their loans.

Renfrew Tape Ltd.



The Town of Renfrew is a small community in the upper Ottawa Valley. Since the turn of the century, Renfrew's progress has been due to a vibrant community spirit and the determination of some far-seeing entrepreneurs.

Herb Prance and Barry Shields are good examples of this spirit and determination. Together with Joseph LeMoine they founded Renfrew Tape Ltd. in 1979 to produce a wide range of pressure-sensitive cloth tapes.

Jim Lindsay, of the Eastern Ontario Development Corporation's Ottawa office, arranged start-up financing which helped cover the cost of some of the basic equipment required to get the project underway.

By the spring of 1981, fourteen people were working for the company and its products were being sold throughout Canada to companies which had previously depended mainly upon foreign sources for supplies. But not content with stable sales, Renfrew Tape Ltd. recognized an opportunity to expand its product lines to include a range of polyethylene tapes. Jim Lindsay helped put together a financing package to purchase the specialized equipment needed for this new endeavour. As a result, the company expects to have almost three times the current number of employees within five years.

"It was the availability of the special financing in Eastern Ontario that encouraged us to expand," says company President Barry Shields.



Grace Brereton in Accounts posts another payment to a client's ledger card. Timely, accurate information on each borrower's status is an important part of our service delivery.

Agency Activities

On behalf of BILD or on request from other ministries, the Corporation provides screening, evaluation processing and administrative services for a number of other Ontario Government financial assistance programs, including:

High Technology Loan Program (BILD)
a five-year, \$50 million incentive loan program to help small Canadian high technology companies develop and grow.

Tourism Redevelopment Incentive Program (BILD)
incentive guarantees for tourism sector projects.

Tourism Grading Program (BILD)
small loans to help tourist operators improve their accommodation ratings.

Eastern Ontario Subsidiary Agreement (Federal/Provincial)
a five-year, \$10 million program to encourage regional development.

Northern Ontario Rural Development Agreement (Federal/Provincial)
a five-year, \$5 million program to encourage regional development.

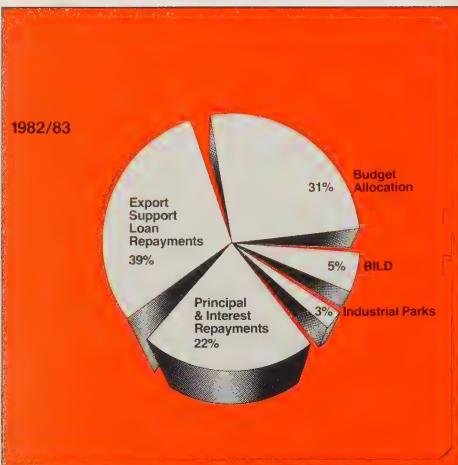
Loans and Guarantees Approved, 1982/83

	No.	Amount (\$000's)
Direct Term Loans	180	\$25,999
Direct Guarantees	55	14,414
Export Support Loans	121	33,460
Agency Loans	127	11,669
Agency Guarantees	25	7,210
Ontario Industrial Parks Program	4	1,639
TOTAL	512	\$94,391

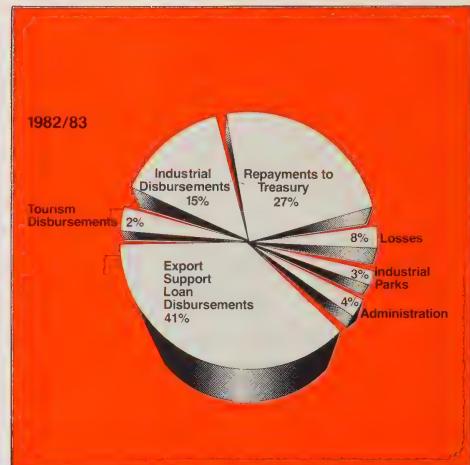
The Development Corporations Funding

The Development Corporations' direct budget for loans is supplemented by program funds that we administer on behalf of BILD and other government agencies. We also have a revolving Export Support Loan fund, in which borrower's repayments are continuously recycled to finance new exports. Loan repayments represent the largest amount of cash flowing through the Corporation, both from our borrowers to us and from us to the Provincial Treasury. Administration, which includes all staff and operating costs, is one of the smallest components of the total cash flow.

Where the Funds Come From 1982/83



How the Funds Are Used 1982/83



Galt Wood Tool Limited

Galt Wood Tool Limited of Cambridge produces custom-made, high-speed saws and cutters for furniture manufacturers, millwork suppliers, and contractors. Company President Bob Pulling recognized that help was needed for modernization and productivity improvements.

He contacted Rid Dowding of the Ontario Development Corporation, who worked out a suitable financing program, including an ODC term loan. The company was able to purchase new manufacturing machinery, making it possible to expand operations, create new job opportunities and improve productivity.

"Thanks to ODC," says Bob, "we were able to break away from years of tradition and meet the stresses and challenges of changing market demands. At the same time, we expect to add 28 new jobs over the next few years."



In our Statistics Section, Abby Maalouf and Rick Ingleson get together to update a management report. Knowing what the Corporation is doing and what results we've achieved forms the basis for our future plans.



Organization Chart

**Minister of
Industry and Trade**
Honourable Frank Miller



Director, Finance and Administration Ron Larner Secretary Lorna Gajraj	Director, Loan Administration Kaye MacMillan Secretary Mary Powell	Director, Special Financial Services Bob Winter Secretary Eleanor Scraggs Manager Ross Nixon Consultants Rob Cloth Michael Desrosiers Charles Lum Support Staff Dorothy Lamberton	Policy Advisor Karin Horowitz Executive Assistant Paul Byrnes Information Officer David Goodyear Secretary Wilma Hayes
Manager, Disbursement, Inspection, and Insurance Milo Bobadilla Disbursement Officers Enzo Lavorato Howard Lazarus John Lowe Harry Weeks Inspectors John Thurston Zen Furuya Art Scammell Support Staff Chris Schulz Supervisor, Insurance Thiru Thirumalai Support Staff Neil Narane Eke Payne	Manager, Loan Administration Bill Smith Supervisor, ODC Ben Parr Portfolio Officers Vince Adhiketty Ray Greenwood Neil O'Connell Financial Officers Anne Brown Jim MacDonald Dan Sherlock Supervisor, NODC and EODC Stan Peterson Portfolio Officers Bob Abbott Trevor Swatman Financial Officers Glen McMichael Glenda Ramsahai Ray Thomas	Supervisor, Export Support Loans John Quigley Portfolio Officers Ivars Austins Alice Brooks	
Manager, Finance and Accounting Bill Copfer Supervisor, Finance and Office Services Edith Dekaney Support Staff Ann Brown Elizabeth Cheong Jackie Durand Neal Hearne Irene Hrebik Rick Ingleson Abby Maalouf Helmut Schneider Supervisor, Accounting Gord Durant Support Staff Grace Brereton Louis Ciolfi Pauline Hazen Sharon Kay Gay Lee Zebun Rupani	Support Staff Eunice Altomare Myra Lunan Yvonne Robbins Dale Wilson Special Services Consultants Greg Fabro Bill Fairweather Eric Hodgins Jim McKoy Walter Prendergast David Smith		

The Ontario Development Corporations

Ontario Development Corporation

1200 Bay Street Queen's Park Toronto, Ontario M7A 2E7 (416) 965-4622	Suite 480 5 Fairview Mall Drive Willowdale M2J 2Z1 (416) 491-7996	Suite 608 201 City Centre Drive Peel Region Mississauga L5B 2T4 (416) 279-9150
Suite 607 195 Dufferin Avenue London N6A 1K7 (519) 433-2871	119 King Street West P.O. Box 2112 Hamilton L8N 3Z9 (416) 521-7785	Suite 401 15 Church Street *St. Catharines L2R 3B5 (416) 688-1454
73 Mississauga Street East Orillia P.O. Box 746 L3V 6K7 (705) 325-5553	Suite 507 Canada Trust Building 305 King Street West Kitchener N2G 1B9 (519) 744-1991	Room 227 250 Windsor Avenue *Windsor N9A 6V9 (519) 252-3475
Nor-Towne Plaza 1131 Second Avenue East *Owen Sound N4K 2J1 (519) 376-3875		

Northern Ontario Development Corporation

435 James Street South Thunder Bay P7C 5G6 (807) 475-1671	120 Huron Street *Sault Ste. Marie P6A 1P8 (705) 253-1103
273 Third Avenue Timmins P4N 1E2 (705) 264-1323	4th Floor 199 Larch Street Sudbury P3E 5P9 (705) 675-4333

Eastern Ontario Development Corporation

143 Parkedale Avenue *Brockville K6V 6B2 (613) 342-5522	Suite 404 56 Sparks Street Ottawa K1P 5A9 (613) 566-3707
Suite 308 1055 Princess Street Kingston K7L 5T3 (613) 547-2251	139 George Street North *Peterborough K9J 3G6 (705) 742-3459

* Ministry of Industry and Trade office. Appointments with Development Corporation consultants can be

made through this office, which is visited regularly by our staff.



3 1761 11547168 2

